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Senior Counsel
Dominion Energy Services, Inc.

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DominionEnergy.com



January 19, 2022

VIA HAND DELIVERY

The Honorable Jocelyn Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

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SC PUBLIC SERVICE
COMMISSION

RE: Dominion Energy South Carolina, Inc.;
Request for Approval to Sell Real Property and Waiver of Bid
Requirement
Docket No. 2021-374-E

Dear Ms. Boyd:

By email dated January 18, 2022, Special Counsel David Butler requested that Dominion Energy South Carolina, Inc. ("DESC" or "Company") provide the Public Service Commission of South Carolina ("Commission") with (1) clarification as to "whether SDC Island Resident Club, LLC was an LLC registered with the Secretary of State of South Carolina;" (2) an independent appraisal showing the market value of the Sand Dunes Property, and (3) an explanation of the basis for the waiver of the bid requirement mandated by the Code of Conduct Governing the Relationship among DESC, SCANA Corporation, Dominion Energy, Inc. and Certain Other Affiliates, pursuant to Order No. 2021-358 (dated May 14, 2021, issued in Docket No. 2019-386-E). By this letter, DESC hereby provides the Commission with the requested information.

With respect to item (1), and as stated in the Application, the prospective purchaser, SDC Island Resident Club, LLC, is an affiliate of Beemok Capital, LLC. SDC Island Resident Club, LLC is a Delaware domestic limited liability company, the ultimate manager of which is Beemok Capital, LLC. A copy of the certificate of formation of SDC Island Resident Club, LLC is attached hereto as Exhibit A. The South Carolina Secretary of State's website indicates that SDC Island Resident Club, LLC is not presently registered with that office in South Carolina, but an entity is not required to be registered with the South Carolina Secretary of State's office to hold property in South Carolina. Beemok Capital, LLC, also a Delaware domestic limited liability company, is registered with the South Carolina Secretary of State's office. See the South Carolina Secretary of State's Business Entities Online Portal at <https://businessfilings.sc.gov/BusinessFiling/Entity/Profile/4627c676-ed7b-4878-84e5-6d14984e4f1a>.

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With respect to item (2), the Company hereby provides the Commission with the requested independent appraisal of the market value of the Sand Dunes Property, which was conducted by a state certified independent appraiser. Confidential and public versions of the independent appraisal are attached hereto as Exhibit B. Due to the commercial sensitivity and proprietary nature of the appraisal—and the harm to the Company that would result if the appraisal was disclosed and the Company was then forced to market the property again should the sale to SDC Island Resident Club, LLC fail to occur for any reason, DESC respectfully requests that the Commission find that the appraisal contains protected information and issue a protective order barring the disclosure of the appraisal under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, the Company encloses with this letter a redacted version of the appraisal that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. The Company also encloses a copy of the unredacted appraisal in a separate, sealed envelope and respectfully requests that, in the event that anyone should seek disclosure of the appraisal, the Commission notify DESC of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the appraisal from disclosure.

Enclosed are the following:

- (1) A true and correct copy of the original appraisal for the Sand Dunes Property in a sealed envelope marked "CONFIDENTIAL." Each page of the appraisal for the Sand Dunes Property is also marked "CONFIDENTIAL."
- (2) Ten (10) copies of a redacted copy of the original appraisal for the Sand Dunes Property for filing and public disclosure.

With to respect to item (3), as previously stated in the Company's Application, the purpose and intent of the Code of Conduct is to protect against affiliate preferences and to ensure that the Company disposes of real property in a manner that promotes fair and equitable treatment of the parties to the transaction, potential bidders, and DESC's customers. In the present case, DESC has no future plans for the Sand Dunes Property. Moreover, the Company has identified a purchaser for its property who is willing to pay at least Market Value (as that term is defined in the

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Commission-approved Code of Conduct) for the Sand Dunes Property, and the agreed-upon purchase price is consistent with that intention. Furthermore, the purchaser of this property is not affiliated in any manner with DESC, its parent, or any of its affiliates. Based on the foregoing, the sale of the DESC property in the manner described herein encompasses the fair and equitable considerations prescribed in the Code of Conduct. Accordingly, DESC respectfully requests that the Commission issue an order authorizing the Company to sell the Sand Dunes Property to SDC Island Resident Club, LLC without engaging in the Bid Requirement established by the Code of Conduct.

By copy of this letter, the Company is providing the South Carolina Office of Regulatory Staff ("ORS") with this additional information, including a redacted copy of the appraisal. Pursuant to S.C. Code Ann. § 58-4-55, the Company previously provided the ORS with the unredacted appraisal in response to a request for information in the above-referenced matter.

If you have any question, please advise.

Very truly yours,



Matthew W. Gissendanner

MWG/kms
Enclosures

cc: Andrew M. Bateman, Esquire
(via electronic mail and U.S. First class mail w/ enclosures)

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:36 PM 11/03/2021
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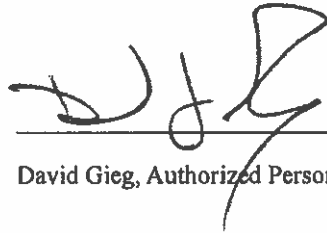
CERTIFICATE OF FORMATION**OF****SDC ISLAND RESIDENT CLUB LLC**

The undersigned, desiring to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. §18-101, *et seq.*), hereby certifies as follows:

FIRST: The name of the limited liability company is: **SDC Island Resident Club LLC**.

SECOND: The address of the limited liability company's registered office in the State of Delaware is Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. The name of the limited liability company's registered agent at such address is Corporation Service Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the 3rd day of November, 2021.



David Gieg, Authorized Person

Delaware

The First State

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I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "SDC ISLAND RESIDENT CLUB LLC", FILED IN THIS OFFICE ON THE THIRD DAY OF NOVEMBER, A.D. 2021, AT 4:36 O`CLOCK P.M.



6360779 8100
SR# 20213697157

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed.

Jeffrey W. Bullock, Secretary of State

Authentication: 204595521
Date: 11-04-21